

Sponsorship Marketing: A Theoretical Link Between Sports Marketing and Brand Awareness of Business Organizations in Nigeria

Nwogu, Cecilia Ugochukwu Kechinyerem

School of Business and Administrative Studies, Rumuola, Port Harcourt, Rivers State

Abstract

Obviously, records have shown the huge success of sponsorship marketing in the past few years but some companies are still left behind which could be as a result inappropriate information on how to invest in sports sponsorship. Sponsorship marketing as an event marketing concept have been found by scholars to have been in existence over 70 years ago still yet it lacks clear theoretical foundation. The paper is aimed at providing a theoretical link between sports marketing and brand awareness of business organization in Nigeria. Findings reveal that a peep theoretical and empirical review shows that several findings agree that sponsorship marketing has a positive impact on brand awareness of business organizations and there are factors that could hinder the success such as sponsorship clutter. The study concludes that there is need to carry out and empirical study to see if the result varies in Nigeria.

Keywords: Sports Marketing, Sponsorship Marketing, Brand Awareness. Introduction

Introduction

The business world is growing every day; consumers are learning every day, new brand are popping out every day, while some are folding up. Every business organization wants to be known, seen and appreciated by its users but the challenge lies on the fact that the industries are crowded already and it is not easy to gain high market share and that's why the struggle to be noticed continuous.

Over the years, business organizations have engaged in promotional strategies to inform and persuade consumers to buy their offers and this is majorly done using advertising and sales promotional tools but the question is how many business organizations use sponsorship marketing in Nigeria to enhance their brand value?

A survey conducted by George (2005), revealed that more than 96 percent of U.S. corporations include sponsorship marketing in their promotional strategies. Also, Angeline., Zachary.,

Russell., & Julie (2006), noted that communicating through events and sponsorships entails promotional activities designed to communicate with attendees, increase the value of a brand and the consumption experience. Similarly, Cornwell & Roy (2003), noted that the expenditures for sponsorship in the past few years increased at rates faster than expenditures for mass media advertising and sales promotion which shows that sponsorship marketing has for long began. More also, IEG (2016), gave a global view of the usage of sponsorship marketing with a record showing that \$57.5 billion was allocated towards sponsorship in 2015 which indicates a step up of 4.1% from 2014,

Historically, a report from Fresh Business Thinking (2017), reveals that sponsorship and sports marketing is not a new did in the business world since the rise of coverage of sporting activities on TV in the past 70 years marking 1939 as the year the first major league baseball was shown on television. The same report holds that then, it was all about product show-casing and credibility building until in the late 1980s when the door for the use of sports marketing became a very lucrative marketing strategy.

Obviously, records have shown the huge success of sponsorship marketing in the past few years but some companies are still left behind which could be as a result inappropriate information on how to invest in sports sponsorship. Ageline et al (2006), asserted that despite the growth of event and sponsorship literature, there is still limited research investigating how managers may improve sponsorship outcomes, and the relationship between consumers' attitudes toward a sponsor's brand. Additionally, Stotlar (2004), asserted that managers are uncertain how to determine whether their sports-related promotions arc successful. Hence this paper seeks to theoretically provide methods that guide the. use of sponsorship marketing in achieving brand awareness.

Research Problem

The idea of sponsorship still poses as a challenge to most business organizations as a result of sponsorship clutter which holds the fact consumers are already bombarded with lots of promotional campaigns during sport events. This problem aligns with study of Breuer & Rumpf (2012), who measured on-screen clutter by the number of sponsors exposed during television broadcasts, and revealed that each additional sponsored brand has a significant effect on others.

More also, a study conducted by Seguin & O'Reilly (2008) confirmed that clutter is an important issue to Olympic sponsorship marketing activities.

Purpose of the Study

The purpose of the study is to theoretically evaluate the relationship between sponsorship marketing and brand awareness of business organizations in Nigeria.

Review of Literature

Sponsorship Marketing

Sponsorships involve the acquisition of rights to affiliate or relate with a product, event, or organization with the aim of achieving a target objective (Mullin., Hardy., & Sutton. 2000). As a communication tool, Dolphin, (2003), made a comparison between sponsorship and advertising and concluded that there are differences although both tools are used for the achievement of promotional objectives, in sponsorship both medium and creative message are not 100% controlled by the sponsor

Sports Marketing

Sports marketing are an event marketing concept that involves athletes or an athletic event. Sports marketing are use of marketing promotional strategies to achieve organizational objectives via association with sports events. Mi- Megasite (2006), stated that sports marketing is an important method of promotion as roughly two-thirds of the sponsorships in the United States are linked with athletic events.

Notwithstanding, each business organization has their own set target that serve as their major reason for engaging in sports marketing. Among the most recorded objectives or reasons for engaging in sports marketing is to create awareness (Verity, 2002) and image/positioning benefits (Hartland et al. 2005).

Brand Awareness

Brand awareness is the degree to which a consumers known about a company or its goods and services. Geffen (2017), defined brand awareness as the knowledge a firm's customers has over a brand. That it, only hearing about a brand name should enable the customer to know the product details and other characters of such brand.

Empirical Evidence of Sponsorship Marketing and Brand Awareness

Several empirical studies have been conducted to show relationship between sponsorship marketing and brand awareness with divergent and similar outcomes. For instance, Angeline., Zachary., Russell., & Julie (2006), asserted that sponsoring events provide an opportunity to engage the consumer with a company, its brands, and the community. Johan, Pham, & Tuan, (1999), revealed that consumers better recall a sponsor's product when that product is related to the sponsor. IEG (2013) revealed an exponential growth in sports sponsorship with worldwide expenditure reaching \$51.1 billion.

More also, Donlan (2013), indicated that sponsorship can be an appropriate vehicle through which to build brand value even though success is not guaranteed as a result of certain variables that has influence upon particular sponsorships such as strength of the sponsor-event link, leverage activities and clutter. Nickell., Cornwell., & Johnston (2011) , found that the longer the relationship between a sponsor and a sponsored brand, the stronger will it be with consumers.

Similarly, Cornwell., Weeks., & Roy (2005), found that greater familiarity (built up over time) with a sponsor and/or a sponsored event allows for the development of more elaborate cognitive structures and more efficient processing of brand related information. Dees., Bennett., & Villegas (2008), found that sponsorship has a positively impact upon purchase intention.

In addition, AresKa (2012), asserted that sponsorship bypasses media clutter and creates an avenue where a brand can directly reach and communicate with the right target audience and increase brand differentiations. Azadi., Yousefi., Eydi (2015), posited that the sponsorship if rightly planned can be used to maximize brand equity and ultimately achieve sustainable profitability of an organization.

Reasons/ Benefits of Sports Marketing

1.Brand Awareness enhancement: This involves increasing the number of people that knows about your company or product (s). Through sponsorships of sports, the world gets to see or hear about a brand.

2.Increase sales: This entails high turnover rate. Companies seek to increase the number goods or services sold at particular period of time.

3.High Profit: This refers to the need to increase income than expenses. This may not be pronounced most times but of course increase in any of the listed benefits will indirectly affect profit positively.

4.Increase Market Share: This is expansion of the number of potential and actual buyers in the industry. An increased market share means that the company has a big share in terms of buyers that may or will buy their products.

5.Positive Brand Image: This implies creating a favorable relationship between company and or its brand with the consumers. A positive brand image entails that consumers have a positive opinion about a brand which

affects their relationships and involvement with the brand.

Demerits/ Short-comings of Sports Marketing

1.Clutter effects: This refers to too much brands' promotional campaign that competes with a company's campaign which directly or indirectly hinders their success.

2.High Cost: Sports marketing is a highly competitive venture that involves huge sum of financial outlay. Sponsorship marketing strategy is mostly used by industry leaders who have already gain financial strength to sponsor multi-million sports events that gets their brand on a very high reach with the market at the detriment of the SMEs or start ups.

3.High investment Risk: Sports marketing activities does not guarantee a 100% return on investment and so investing a huge sum may have a negative effect on a company with a low financial capacity.

4.Measurement/Evaluation Difficulties: Sports marketing is like placing an advertising campaign in a TV Show. The question of how do we know the success of our sponsorship campaign is usually complex to evaluate.

Methods of Engaging in Sports Marketing

•**Set Company Objectives:** The objective of an organization depicts where they are and where they want to be. The objective of a company demines their reasons for engaging in sports marketing and defines the type of campaigns to be implemented.

•**Target Market Specification:** After defining what the company intends to achieve a specified time, knowing the target market becomes essential. The question to ask here are: who are my consumers? What are their characteristics? Answers to these questions will tell your consumers will prefer a product associated with sports or not.

•**Budget Plan:** How much are we spending on the project? An answer to this question demands a comprehensive financial statement which shows the financial status of a business organization. To engage in sports marketing also involves a cost-and-benefit analysis to check if the revenue will equal expenditure or exceed expenditure.

•**Implementation and Control:** This is invariably the last stage but not the list. After implementation of the sponsorship program, there must be an indices or metrics to check and balance the actual result with the predetermined objectives. Where the project is not generating any benefit, the company takes corrective measure and continues if the project promises a positive outcome.



Fig. 1: Methods of Engaging in Sport Marketing

Source: Desk Research, 2017

Summary of Findings

The been focused on a link between sponsorship marketing and brand awareness of business organization began with an introductory background from which review shows that sports marketing has began decades ago of which 1939 was recorded as the first year major league baseball was shown on television.

A peep into of theoretical and empirical review shows that several findings agree that sponsorship marketing has a positive impact on brand awareness of business organizations and there are factors that could hinder the success such as clutter.

Conclusion

In conclusion, the study states that most of the study that found sports marketing to have a positive link with brand awareness was foreign multi-nationals. Therefore, there is need to carry out and empirical study to see if the result varies in Nigeria.

Implications of the study

The study provides managers with amble theoretical background of demerits, merits and reasons firms adopt sports marketing. More also, the paper proposed a framework that will serve as a guide to methods of carryout sports marketing strategy.

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